

The Evolution of Military Reform in Russia, 2001

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Contents

Introduction	1
The importance of military reform	3
The failed military reforms of Boris Yeltsin	7
Economic Limitations	7
The Russian defense budget has been inadequate	8
The disposition of the military-industrial complex . . .	10
Prospects for the defense budget	12
Attempts at reform	12
The Sergeyev reforms	14
Kvashnin's alternatives to Sergeyev's proposals	16
Strategic nuclear vs. conventional forces	19
Russia's reliance on strategic nuclear forces	19
Kvashnin disputes Sergeyev's plans for strategic forces .	21
Kvashnin proposes to sharply reduce strategic nuclear forces	23
The international dimension of the debate	28
Putin takes charge	33
Who is Putin?	33
Putin's Agenda	35
Politics and the Military Under Putin	37
Specific military reform steps under Putin	45
Civilian control at the Ministry of Defense	53
Afterword	63
Annex A: The role of the Russian Security Council	65
Annex B: Sergey Ivanov	69

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Introduction

Ten years ago the Cold War ended and the Soviet Union was dissolved. The new Russian Federation faced an agenda calling for fundamental transformation. There were five major challenges for Russia, and the country had to deal with them simultaneously:

1. To establish a new identity;
2. To build political democracy;
3. To replace total government control of the economy with a market economy;
4. To integrate Russia into the global economy;
5. To conduct military reform.

President Boris Yeltsin was not able to lead the country well enough to find the right solutions to these tasks. After ten years of experiments, Russia was far from carrying out a successful transition to political democracy and a market economy. There are many reasons for Yeltsin's failures. The transition to political democracy and market economy was mismanaged. Russia did not develop a meaningful strategy of reform. The Russian government failed to create a system of checks and balances. Russia underwent a criminal privatization, which took the economy into a steep decline. The decline of the Russian economy meant that Russia did not succeed in joining the globalizing world economy. And Russia was not able to resolve its security dilemmas. Military reform, which was a necessary component of this transition, was mostly neglected in the 1990s.

Since the collapse of the Soviet Union in 1991, Moscow has continued to talk like a superpower, but has largely been unable to back up its words by exerting influence. The nation's economy is stumbling, its nuclear forces are deteriorating and its conventional forces, although numerous, suffer from aging equipment and poor morale.

Its foreign policy recently has compiled a dossier of defeats: NATO expanded despite vehement objections by Moscow; Russia was unable to halt the bombing of Yugoslavia or get permission for its peacekeeping troops to control any sector of Kosovo; Russian attempts to counter international U.S. influence with a policy of developing a "multi-polar" world were vague and produced few tangible results.

Today, while there is finally a blueprint for military reform, there is still no coherent and integrated government military reform strategy in sight, no balancing of stated commitments and available resources. Fundamental military reform will for some time likely remain hostage to a growing pyramid of foreign and domestic debt and a strained internal situation. The Russian state is hampered by poor tax collection; high turnover of prime ministers, cabinet members, and presidential advisors; and continuing competition between the military and non-MOD security forces for scarce resources and power.

Although the Russian defense budget of about \$7.5 billion has been supplemented recently with revenue from the increase in global oil prices, the military remains an increasingly hollow and troubled fighting force.¹

According to the report on *Global Trends 2015*, released by the US National Intelligence Council in December 2000, "Russia will be unable to maintain conventional forces that are both sizable and modern or to project significant military power with conventional means. The Russian military will increasingly rely on its shrinking strategic and theater nuclear arsenals to deter or, if deterrence fails, to counter large-scale conventional assaults on Russian territory. Moscow will maintain as many strategic missiles and associated nuclear warheads as it believes it can afford but well short of START I or II limitations."² This is a good summary.

The first Russian leader of the 21st century, Vladimir Putin, who came to power after the sudden resignation of Yeltsin on December 31,

1. *The Washington Post*, November 30, 2000.

2. National Intelligence Council, *Global Trends 2015: A Dialogue About the Future With Nongovernmental Experts*, NIC, 2000-02, December 2000.

1999, inherited a very difficult legacy. But with his arrival, Russia entered a new stage. President Putin enjoys a very high level of public support in his search for a strategy for reform. Russia resumed its efforts to find solutions to the same challenges as a decade ago, but it's much more difficult to do now than it was ten years ago.

The importance of military reform

Military reform is a very important issue for Russia. It is no secret that Russia's armed forces have become bloated, inefficient, and torn by internal conflict between military officials more interested in their personal agendas than acting in the country's best interest. Military reform has been necessary if Russia's military posture is to be brought into in consonance with both the security environment and the economic capabilities of the country. Reform requires a fundamental transformation both of the armed forces and other troops and of the political mechanism to control the armed forces and conduct defense policy.

The end of the Cold War confrontation has radically reduced the threat of military aggression against Russia. A new system of international security, one that includes the participation of the Russian Federation, has not been built. But Russia, for the foreseeable future, cannot count on its own military supremacy in case of a conflict in the West or the East. It is thus vulnerable even if the threat is not evident.

Today, Russia has no enemies, but neither does it have dependable allies or partners. In case of confrontation with a major power or coalition of powers in the medium or long term, Russia may find itself in isolation. At the same time, such mechanisms of international security as the UN and the OSCE are weakening. Their functions are being exercised instead by NATO and other Western institutions.

The decline of the Soviet armed forces, which imposed a heavy burden on the economy, began under Mikhail Gorbachev in the late 1980s. But this decline acquired a completely different dimension after the dissolution of the USSR and the transfer of the bulk of Soviet forces to the control of the Russian Federation. The armed forces have been reduced by approximately 75 percent compared to the late

1980s—to a greater degree than in the rest of the world (which has undergone a 30 percent overall decline).³ The armed forces' combat readiness has also plunged, for a number of reasons. As distinct from the Soviet period, Russia is incapable of maintaining groups of troops on combat readiness in any strategic direction.

The problem of how to cope with further deterioration was never really addressed under Boris Yeltsin. The attempted coup in 1991 and then the generals' hesitation about storming the parliament in 1993 left Yeltsin fearful and distrustful of the military. During these acute internal political crises, the military did not support Yeltsin unequivocally. Thus Yeltsin disliked the military and was not at ease with his generals. To avoid any possible future coup, President Yeltsin split the military and security forces into multiple competing armies that in effect balanced each other.⁴ Yeltsin's time in office was marked by a tacit deal with the generals not to interfere in military affairs as long as they supported him.⁵

During Yeltsin's period, very little was done to fundamentally change Russia's military posture. Plans for streamlining and reorganizing the army, strict reduction of personnel, and the introduction of a professional rather than conscript army have been announced for the past decade as indispensable to cutting costs and adapting to new realities. Serious attempts to carry out reform of Russia armed forces were started after 1997. But they have never been implemented. Speaking at the meeting of Russia's top military and political leadership at the Ministry of Defense on November 20, 2000, President Putin described everything done in the area of military reform up to that time as extremely ineffective.

One of the reasons was that the promises of the military reform were made without taking into an account Russia's diminishing economic capabilities. As President Putin admitted at the Security Council meeting in August 2000, "Without an economic substantiation, all

3. *Nezavisimoye Voyennoye Obozreniye*, No.1, 2001.

4. *The Moscow Times*, October 5, 2000.

5. *The Washington Post*, November 30, 2000

our plans would not be worth a brass farthing, because it is clear that they will not be implemented, just as military reform plans in the past ten years were not implemented.”⁶

Civilian control of the armed forces for Yeltsin meant his personal control, assisted by the presidential administration and, at times, the Defense and Security Councils. Civilian control beyond the presidency was not established. The Government, particularly the Administrative Department and the Ministry of Finance, played important roles in working out laws and decrees that apply to the armed forces and in formulating the budget, but it was left to military officers to implement them.

The delays have gravely affected the country's defense capability. In the early 1990s, the military was left to manage its own domain with little outside interference. There were several attempts to establish civilian control over the military (associated with former presidential security advisor Yuri Baturin) but they were inconsistent and short-lived.

6. *Krasnaya Zvezda*, August 16, 2000.

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The failed military reforms of Boris Yeltsin

Economic Limitations

The 1990s were marked by an unprecedented economic slump in Russia. It was triggered by the accumulated ailments of the Soviet economic system, the USSR's disintegration, and the ill-considered and incompetent post-1991 reforms. Russia has suffered massive economic dislocation as a result of the dissolution of the Soviet Union. Its formerly state-dominated economy is in transition to a market-based economy. Its government is experimenting with economic reforms and transition to democratic governance, and its people aspire to be counted among the world's great nations.

Economic reform in Russia was greatly mismanaged. The roles of government and state institutions were too easily discarded after years of bureaucratic rule. While the disappearance of the Communist party as the main apparatus of the state was welcome, no other institution took its place as the backbone of society. An efficient market economy requires an authority to enforce the rule of law. Russia has lacked such an authority for a decade—one that could collect taxes, enforce bankruptcy laws, and provide social security. Corruption and cronyism have become entrenched, and foreign investors have been scared off.

During his election campaign for presidency, Putin issued an open letter to the Russian electorate in February 2000 in which he said foreign policy priorities should be dictated by the need to rebuild Russia's still shaky economy. "A country where weakness and poverty reign cannot be strong. Our role in world affairs, our well being, and our new rights are contingent on whether we manage to tackle our own domestic problems," Putin wrote.⁷ Putin characterized Russia as

7. Reuters, March 21, 2000.

a rich country of poor people.⁸ In his view, Russia faces the prospect of sliding into the second, and even third, echelon of world states.

A recent assessment by the CIA bleakly forecast unremitting decline on all fronts in Russia despite Putin's pledges to restore Russian greatness and international clout:

Between now and 2015, Moscow will be challenged even more than today to adjust its expectations for world leadership to its dramatically reduced resources. Whether the country can make the transition in adjusting ends to means remains an open and critical question, according to most experts, as does the question of the character and quality of Russian governance and economic policies. The most likely outcome is a Russia that remains internally weak.⁹

The Russian defense budget has been inadequate

Russia's economic distress has created a huge gap between Russian economic capabilities and the huge military infrastructure it inherited from the Soviet Union.

At the same time, global military expenditures shrunk by some 30 percent in the 1990s, and by nearly a half compared to the peak of the Cold War (1985) in constant prices. Over the past fifteen years, the share of military expenditures in the global GDP has dropped by nearly a half—from 5.5 percent to 2.8 percent. In the majority of the industrialized nations and in China the military expenditures stand at less than 2 percent, and in the USA at 3 percent. The share of military expenditures is higher only in those states that are in a state of de facto military confrontation that can instantly degenerate into an armed conflict—Greece, Turkey, Israel, Saudi Arabia, Kuwait, Taiwan, and the two Koreas.

Yet Russia is unable to keep up even with the shrinking forces of other countries, much less engage in a new arms race. The acute Russian

8. *The Financial Times*, April 25, 2000.

9. *The Guardian*, 23 January 2001.

economic crisis has entailed destructive consequences for its military-industrial complex. Although the Russian economy has had to demilitarize after the end of the Cold War, the defense industry's diversification didn't need to be so chaotic.

Yeltsin originally decreed that no more than 3.5 percent of the gross domestic product (GDP) would be allocated to the MOD budget. The military had to accept this restriction, but continued to fight for more money. It was decided to extend the deadline for completing the reforms sought by the military. Serious questions were raised as to whether the 3.5 percent ceiling itself would be adequate for the reforms envisioned. It did not take account of the social costs the ministry must pay when it reduces the size of its active duty force. Finally, the Finance Ministry limited MOD budget allocations—even below the amount requested by the President and authorized by the legislature.

The colossal gap between the volume of budgetary allocations and the structure of the armed forces inherited from the USSR presents the largest problem. Compared to the Soviet period, the Russian Federation's defense spending at the purchasing power parity rate was reduced by 93-95 percent—due to both the reduction of military expenditures from the federal budget and the huge cutbacks of the federal budget itself.

In the former half of the 1990s, the top officials of the defense ministry were pressing for defense allocations worth 30-40 percent of the federal budget and 6-7 percent of the national GDP, but they were getting only 50-60 percent of what they requested. By the end of the decade, defense allocations were reduced to below 20 percent of the budget and 3.5 percent of GDP.

In 1999, expenditures for national defense stood at 19 percent of the federal budgetary expenditures, or approximately 4 billion dollars at the current exchange rate.¹⁰ A 25 percent growth of military expenditures starting in 1998 was explained primarily by the war in Chechnya.

10. *Nezavisimoye Voennoye Obozreniye*, No. 1, 2001.

This level of financing is hugely inferior to that of the leading Western countries and is comparable to the defense spending of such countries as Turkey, Brazil, and India, which are in no way military superpowers. Moreover, Russia falls behind these countries in expenditures per soldier.

In the 1990s, the defense ministry was spending up to 60 percent of its allocations to pay salaries and for food and uniforms. The expenditures for the procurement of arms and military hardware did not exceed 20 percent, and expenditures for research, 5 percent, or 2-3 billion dollars.¹¹ As a result, weapons have not been modernized. Without modernization, the Soviet-epoch arms the army and the navy have today will grow obsolete in 2005-2010. The country hence faces a huge need to rearm its armed forces in the latter half of this decade.

To rearm its armed forces before 2010, the estimates are that Russia will have to spend no less than 100 billion dollars, which means allocating up to 80 percent of the defense budget for procurement. This is absolutely unrealistic, given the current level of expenditures.

The disposition of the military-industrial complex

The General Staff's plan originally called for a major phased reduction in Russia's military industrial complex based on the needs of the military—from 1,749 core defense enterprises in 1997 to 667 in 2000 and 435 in 2005. However, it was unlikely that such a plan could be carried out. Not only had the defense enterprises effectively resisted all previous top-down organized efforts towards conversion of defense enterprises to domestic production, but also the Russian state consistently failed to adequately fund those programs.

Military factory conversion programs for the past decade have been more than disappointing, leaving factories unprepared to continue military production or convert to the production of consumer products. Factory production orders and operating funds were severely reduced on the grounds that the products were no longer needed

11. Ibid.

At the same time, the Russian government reduced incentives for the factories to initiate their own local conversion programs by continuing to provide just enough social benefits to workers to keep them tied to their jobs, and by failing to provide conversion program funds promised to the factories.

Defense production was reduced by approximately 80 percent, including the production of arms and military hardware by 90 percent and that of civilian commodities by 75 percent.¹² The serial production of arms and military hardware stopped in Russia, the technological chain of production was disrupted, and qualified personnel resigned from the defense industry *en masse*.

International evaluations indicate that Russia accounts for only 3-4 percent of the global production of armaments. Its output is largely exported, something that allows it to keep its production facilities partially running. But Russia has no access to the markets of Western and pro-Western countries. Russia's share in the global trade in arms does not exceed 10-12 percent and can hardly grow, due to the budgetary limitations of China and India, the two primary buyers of Russian-made arms.

R&D work in Russia on fifth-generation arms continues, but financial shortages hamstring completion of developments and make the launching of serial production questionable.

If the expenditures for modernization were to be brought up to 50 percent of the current defense budget, that would necessitate a reduction of allocations for personnel, which in turn would necessitate a reduction in personnel to 600,000 to 800,000 men. Such deep cuts seem questionable. Also, the measures for separation of personnel from service would necessitate a primary growth of allocations for these purposes, rather than for the modernization program.

12. *Nezavisimoye Voennoye Obozreniye*, No. 1, 2001.

Prospects for the defense budget

Meanwhile, the potential for radically increasing defense expenditures is very limited. In the conditions where only 14 percent of the federal budget is spent for social purposes (versus 70 percent in the US), and the average national salary does not exceed 55 dollars a month, defense expenditures in peacetime can hardly be expected to grow over 20 percent (versus 15 percent in the US on top of a much higher budget).

It might be possible to redistribute resources from the other “power structures” to the defense ministry. Such a redistribution could conceivably allow increases in defense spending of 23-25 percent, but in the present conditions of internal political instability this maneuver is very unlikely.

The main instrument of increasing defense expenditures would be a growth of the federal budget revenues thanks to economic growth and better collection of taxes.

Russia has no more than ten years to get onto a path of stable and rapid development that would enable it to work on beneficial terms to integrate into the global market and to strengthen its defenses. A delayed emergence out of its economic crisis is fraught with irreversible consequences for the future of Russia. Therefore, the main objective of government policy should be to restore the country's economic power rather than its military power.

Attempts at reform

During Yeltsin's first term, when Pavel Grachev was the Defense Minister, the military basically tried to preserve the military force structure inherited from the Soviet Union while managing the withdrawal of more than one million military personnel and their families from Eastern Europe and some former Soviet republics, which had become independent states. While Grachev talked about building high-quality, mobile forces, in fact the army was cut, but not reformed. The humiliation of the Russian military during the first Chechen war then undermined more serious reform efforts.

General Igor Rodionov, who replaced Grachev in 1996, complained loudly about the meager finances available to the army, and used this as an excuse not to move forward with reform. He advocated preparations for a large-scale conventional war with NATO. This, in turn, implied open-ended defense requirements and the need for a major increase in defense appropriations and force levels. Rodionov's stance eventually led to conflict with the Secretary of the Defense Council, Yuri Baturin, and with Boris Yeltsin himself. This highly public conflict for control over the military culminated in Rodionov's dismissal in May 1997.

During his second term, Yeltsin established two presidential commissions to make recommendations on how to proceed with reform. The first commission, under Prime Minister Viktor Chernomyrdin, was to recommend priority measures for reform and the organizational changes needed to support reform. It was also to analyze the operational costs of the Ministry of Defense. The second commission, under First Deputy Prime Minister Anatoliy Chubais, was to explore possible methods that could be used to fund the Russian military forces in the future. The immediate results of the Chernomyrdin commission were a series of presidential decrees on military reform. These decrees were aimed at restructuring, downsizing, and changing the chain-of-command authority within the Ministry of Defense only.

The July 1997 decrees clearly embodied the essence of what President Yeltsin wanted to do. They focused on the Defense Ministry itself, redesigning its chain of operational command to reduce the authority of service commanders-in-chief, while increasing that of the Chief of the General Staff and the military district commanders. The Ground Forces were abolished as a service and turned into two directorates under the General Staff. Components of other services were to recombine in a series of steps that would eventually reduce their number from five to three and reduce the headquarters staffs of most existing organizations by approximately 30 percent. The new Minister of Defense, Igor Sergeyev, emphasized the near-term increase in readiness that would be achieved in the units that were to remain and forecasted that Ministry of Defense forces would be fully equipped

with 21st century weapons and technology in little more than a decade.

The Sergeyev reforms

Serious attempts to carry out reform of Russia armed forces were started after 1997, under Igor Sergeyev. Further cuts were enacted in a more logical fashion, with the elimination of many hollow “cadre” divisions and creation of a small number of “permanent readiness” divisions. The armed forces were cut by 30 percent in two years. The force structure was substantially reorganized, including the merger of the air defense and air forces. A reduction in the number of military educational institutions was also pushed through.

Sergeyev tried to lay the foundation for fundamental military reform, despite grossly inadequate defense spending. As some observers noted, he undertook politically sensitive but necessary preliminary steps needed to make real military reform a possibility in the 21st century, including a professionalization of the military and major procurement of modern weapons and hardware.¹³ At the heart of his military reform plan was the concept of “optimization” under a nuclear shield, which was supposed to improve efficiency while downsizing the armed forces and gradually releasing funds to support reforms. Sergeyev understood that there was little money with which to pursue key reform goals—notably a professional army and major procurement of modern weapons—for at least several years.

Despite tremendous financial and bureaucratic obstacles, Sergeyev accomplished most of the tasks in the first stage of his military reform plan. The MOD forces were reduced to 1.2 million by January 1999, from 1.8 million in 1997. The Strategic Missile Forces integrated the Military Space Forces and the Missile and Space Defense Forces. The Air Force and Air Defense Forces were merged into a new branch of the armed forces, resulting in a four-branch military structure. The number of military districts was reduced to 6 and they were accorded

13. *Parameters*, Winter 1999-2000, p. 99.

the enhanced status of being designated operational-strategic commands.

By accomplishing these tasks, Sergeyev established the essential preconditions, including structural reconfigurations, for real military reform. However, Sergeyev had little success in his first two years in boosting combat readiness, an important stage-one military reform task, despite his determination to the contrary.

The main military reform tasks identified by Sergeyev have been largely “practical measures” that required no additional money. They included efforts to cut the number of conscripts and fully staff newly created “permanent-combat-ready” units; to reduce crime, corruption, and theft in the military; to eliminate the inefficient and illegal waste of defense budget and extra-budgetary funds by unit commanders and others; to continue downsizing and to reform the “extremely inefficient system of military education; and, in general, to search for additional, non-budgeted sources of funding for the impoverished military, all the while building up the country’s arsenal of advanced Topol-M strategic missiles.¹⁴

Stage two of Sergeyev’s military reform plan was supposed to cover the years 2001-2005. It included efforts to enhance the military’s command and control system and to improve the level of operational and combat training. It also focused on the critical goals of strengthening military discipline, enforcing law and order, raising servicemen’s pay and clearing up wage and benefits arrears, and providing promised housing. In addition, the armed forces were to move to a three-branch structure (land, air and space, sea) under stage two of the reform plan. Finally, beginning in 2005, modernization of weapons and equipment would begin.

Sergeyev planned to create a Strategic Command, subordinating to it all components of Russia’s strategic forces, including Navy and the Air Force. However, he encountered formidable opposition within the Ministry of Defense, led by Chief of the General Staff Kvashnin.

14. *Krasnaya Zvezda*, April 28, 1999.

By 1999 Sergeyev's efforts to reform the armed forces were stalled to a great extent as a result of the open rift within the military.

The economic collapse of 1998 brought Sergeyev's military reform efforts to a stop because the military budget was cut 2.5 times in real terms. The second Chechen war, which started in summer of 1999, was the final blow to Sergeyev's efforts. As a result, by the end of the 1990s the quality of the military had dropped to a level lower than what it was when the reforms were started. This largely undercut and discredited the reforms.

Kvashnin's alternatives to Sergeyev's proposals

The resumption of the Chechen war, the shortage of money, and the increasingly bitter disagreements between Sergeyev and his Chief of the General Staff, Anatoliy Kvashnin, have also undermined more far-reaching reforms. The war allowed Kvashnin and his supporters to take the initiative, while Sergeyev's reform plans were shelved. For several months the conflict between Sergeyev and Kvashnin paralyzed the military establishment and it was clear that someone was going to have to go.

From the beginning, the General Staff had an agenda that differed from that of the President. General Kvashnin promoted the same reorganization plan that had been advocated previously by the General Staff despite Yeltsin's previous rejections of those plans. Kvashnin called for the General Staff to have peacetime and wartime control over major activities of all military forces—including those outside the Ministry of Defense. The General Staff was charged with developing mobilization plans and coordinating contingency wartime operation plans for the non-MOD "power" ministries, as well as taking operational control of them in wartime. In 1998, however, under the guise of military reform, the General Staff attempted to assign itself authority to approve all plans for peacetime training, force development, and weapons procurement for the non-MOD forces.

The General Staff also wanted to extend its control to officer personnel matters within the non-MOD militaries. Kvashnin's proposal called for the consolidation to take place under the Ministry of

Defense. At the same time, there were calls for MOD officers to be assigned to the other ministries in order to raise the professionalism within those ministries. This call also appeared to be based on widely shared assessments. The practical results of such personnel moves, however, would be that the General Staff would gain wide control over officer training and assignments in all Russia's military forces. The political implications of such an arrangement were obvious and would be bad, i.e., placing the military forces for the first time in a position to take political power in a coup.

Kvashnin also proposed to consolidate military control throughout Russia into six military districts directly under the Chief of the General Staff. At the time the districts within each of the so-called power ministries had distinct borders and commanders who reported directly to their own ministries. Kvashnin proposed three changes: district boundaries in all of the power ministries would be redrawn to coincide; commanders of the non-MOD districts would be subordinated to the MOD district commanders-in-chief; and the MOD district commanders-in-chief would be given operational control over all forces assigned to their districts. He also recommended that the President divide the country into a limited number of "administrative" districts and assign a plenipotentiary representative to implement all political and economic decisions within those districts. Administrative districts and consolidated military districts would coincide.

Yeltsin supported the idea of increasing the authority of the MOD military district commanders at the expense of the service commanders, since in both the August 1991 coup against Mikhail Gorbachev and the October 1993 confrontation with the Russian legislature, the position of the armed forces commanders was a critical political factor. But Yeltsin did not approve the idea of subordinating districts from other ministries to the MOD district commanders.

Abolishing the position of Commander-in-Chief of the Ground Forces clearly was important to President Yeltsin, because the Ground Forces had been the largest and most politically dominant service. But he assigned the Commander-in-Chief's oversight functions to the office of the Minister of Defense, not the General Staff.

In 1998 President Yeltsin abolished the Defense Council and stated that the Security Council would pick up responsibility for preparing plans for military reform. But Yeltsin's statements that the new Prime Minister, Sergey Kirienko, would pick up Chernomyrdin's responsibilities for military reform had an empty ring to them. The President had approved in July 1998 a long-awaited "Blueprint for Military Organizational Development for the Period Through 2005," which, notably, would have helped tame the growing political ambitions and resource demands of Russia's enormous non-MOD security forces. But in fact military reform was on hold. No specific public announcement was made that the plan was dead in the water, but it was, because in August 1998 the Russian economy almost completely collapsed.

Strategic nuclear vs. conventional forces

The conflict between Sergeyev and Kvashnin put Russia's military establishment on the brink of an unprecedented split that went far beyond the framework of a routine bureaucratic intrigue. It was not only the issue of the incompetence and intrigues on the part of the Chief of General Staff, whose low professional level has been clearly demonstrated in the two Chechen wars. It was not an issue of a conflict between personalities. The internal military debate touched upon the key issues of Russian military reform.

Both men were appointed to their respective posts in May of 1997 by Yeltsin. Their antagonism, which existed from the start, was reportedly seen by the Kremlin as a useful tool to ensure its control of the armed forces.¹⁵ That antagonism only grew with the passing months as Sergeyev, a former Strategic Missile Forces Commander-in-Chief, embarked on the implementation of a program which saw the country's already troubled conventional forces reduced in number while scarce resources were devoted to a large extent to maintaining the strategic deterrent.

Russia's reliance on strategic nuclear forces

As a result of the country's economic decline over the last ten years, it is only in the nuclear sphere that Russia is still not inferior to any state, including the United States. Russia is dependent on its nuclear arsenal more than other countries because the might of its conventional forces has declined dramatically following the disintegration of the USSR. These forces are inferior to the conventional forces of the countries and coalitions on the country's western and eastern borders. Thanks only to its nuclear arsenal, Russia is still perceived by the surrounding world as a great power.

15. *Jamestown Foundation Monitor*, July 13, 2000.

For post-Soviet Russia, reliance on nuclear deterrence was rational in a purely economic sense. Russia could still maintain its nuclear arsenal through the end of the service life of its ICBMs, submarines, and heavy bombers at the end of the first decade of the 21st century. Its reliable nuclear deterrent made political reforms and reductions in both the armed forces and the defense budget possible.¹⁶

Nevertheless, Russia's capabilities for modernization of its nuclear arsenal, developing new generation nuclear weapons, and providing for serial production of such new arms have been limited for economic reasons. It was even more important to solve the problem of maximum rational use of all available means to ensure national security. Hence, requirements for its nuclear policy were rising, since it had to compensate for existing financial and military-technical constraints. But economically, Russia could not afford to maintain its nuclear armaments either at the START-I or the START-II levels.¹⁷

Following the appointment in 1997 of Sergeyev, the Strategic Rocket Forces (SRF) clan became dominant at the Defense Ministry. Traditionally, the SRF had played a very small part in the leadership of Russia armed forces.

In seeking to create a single Strategic Command for control over all the components of strategic nuclear forces, Sergeyev proposed to preserve Russia's status at a minimal cost, despite inevitable reductions of outdated armaments. The supporters for this approach asserted that, "This will make it possible to win time and concentrate efforts on internal reforms and provide for the country's security for another 10-15 years."¹⁸ The conclusion that emerged in Russian security discussions in the 1990s was that Russia cannot afford and does not need to maintain the Soviet-style huge conventional forces, both for

16. Nikolai Sokov. "Kosovo Syndrome" and the Great Nuclear Debate of 2000. PONARS 2000, #181.

17. The START II Treaty has not come into force due to the refusal by the US Senate to ratify the 1997 protocols on delimiting strategic and tactical ABM defense.

18. *Vremya*, July 18, 2000.

political (absence of a direct external threat) and economic (the extremely limited economic and budgetary capabilities) reasons.

According to this view, Russia's security will for at least the next decade rely primarily on nuclear deterrence while conventional forces could be reduced and modernized as Russia restores its economy step-by-step. The credibility of nuclear deterrence would be strengthened if the inevitable shrinking of Russian nuclear forces were accompanied by legally binding agreements with the United States on strategic offensive and defensive weapons. Such agreements would strengthen Russia's retaliatory posture and enable it to move away from reliance on launch-on-warning.

It is necessary to reduce the structure of the Strategic Rocket Forces, optimize their composition, and liquidate cumbersome missile armies. These opportunities arise upon the drastic reduction of old ICBMs. However, Russia will still have to rely on the SRF as the key component of its nuclear deterrent. Huge resources would be needed to build up the sea-based and aviation components of the strategic triad, but Russia does not have them. It is also necessary to create a single system of operational control over all nuclear forces of Russia by eliminating parallel structures. Only in this case will it be possible to prevent the collapse of the nuclear deterrence potential, which has been created at such a high price, preserve the mechanism of strategic stability, and achieve compromise-based START and ABM accords with the United States.

Kvashnin disputes Sergeyev's plans for strategic forces

The Sergeyev-Kvashnin dispute began when Sergeyev proposed that all strategic forces should be united under the Strategic Command. That move really set the Defense Minister against the General Staff because it would in effect have placed operational command over all of Russia's strategic nuclear forces—including those belonging to the Navy and the Air Force—in the hands of Sergeyev's protégé, SRF Commander-in-Chief General Vladimir Yakovlev. Kvashnin and other service chiefs were reported to have been incensed by Sergeyev's proposal because they saw it as an effort both to increase the authority of the SRF vis-à-vis the General Staff and the other service branches.

Kvashnin went public with his own proposal to reform the Russian military. He resisted the cutback in conventional forces, trying to reorient the budget to support a multimillion-strong draft army.

It should be remembered that Yeltsin had accepted Sergeyev's proposal to establish a single Strategic Command for the strategic nuclear forces that was to comprise all components of the strategic nuclear forces, i.e. the strategic ICBMs, nuclear submarines and strategic air forces. That proposal aroused Kvashnin's sharp displeasure, as it went against his vision of the role of the General Staff. In addition to this, Kvashnin was not informed of the minister's plan.

The issue remained a point of friction within the high command following Yeltsin's resignation and the accession of Putin to the presidency.¹⁹

The NATO war against Yugoslavia and the start of Moscow's new war in the Caucasus helped propel the broader struggle between Russia's strategic and conventional troops—and between Sergeyev and Kvashnin personally—back to the forefront of Russian defense politics. The NATO air war tended to strengthen the hand of those Defense Ministry hardliners who were grouped around Kvashnin. Their position was further reinforced when Russian paratroopers unexpectedly seized the Slatina airport in Kosovo in June 1999. That move, which was very popular in Russia, is believed to have been orchestrated by Kvashnin and his supporters.²⁰

This same group, not surprisingly, is thought to have been the driving force behind the hard-line strategy that Moscow adopted in the Caucasus.²¹ The difficulties that Russian troops faced early in the second Chechnya campaign, moreover, afforded Kvashnin and others the opportunity to complain that the existing policy of favoring the country's strategic missile troops had left Russia's conventional forces poorly equipped and ill-prepared to do battle. As the conflict in the

19. *Jamestown Foundation Monitor*, July 13, 2000.

20. *Ibid.*

21. *Ibid.*

Caucasus wore on and Putin began to consolidate his political authority, in part by promising to rebuild Russia's military might, there were indications that spending priorities within the Defense Ministry would be reordered so as to give greater attention to the conventional troops. That decision appeared to reflect the belief that Kvashnin and others connected to the Caucasus war effort were riding high, that they would profit by Putin's election as president, and by what many believed would be a subsequent housecleaning at the Defense Ministry.²²

Kvashnin was well known for his energy, determination and rabid persistence. That was demonstrated by his key role in the rushed transfer of Russian paratroopers to Kosovo (ahead of NATO troops) in June 1999 and the spur-of-the-moment attempt to take Grozny in December 1999, which led to many casualties. As a result he was appointed by President Putin to the Security Council. His predecessors in the Chief of General Staff job never had that honor and such access to the President. Apparently that emboldened Kvashnin in his decision to directly challenge the Defense Minister. It was no coincidence that he began to push his plan in April 2000, when Putin, then the acting president, was deciding whom to put in charge of the Defense Ministry.²³

Kvashnin proposes to sharply reduce strategic nuclear forces

For the past couple of years Russia had procured about 20 ICBMs a year, including the most modern SS-27 (Topol-M) and also the SS-25 (Topol), to replace rockets that were decommissioned after more than 10 years of service.²⁴ Russia was building more ICBMs than all other world nuclear powers put together, but buying almost no new conventional arms. Kvashnin was reportedly obsessed with the idea of reviving the conventional forces by virtually eliminating the only branch of the armed forces that has retained its combat capacity—the strategic missile troops.²⁵

22. Ibid.

23. *Itogi*, July 3, 2000.

24. *The Moscow Times*, July 20, 2000.

In the estimate of some military experts, if the START II Treaty is implemented and with due account taken of the START III parameters agreed at Helsinki, Russian strategic forces would have about 1,500 nuclear warheads by 2007. The Strategic Rocket Forces would have almost two times fewer warheads than the Navy and the Air Force. In addition, the General Staff claimed that by 2007 the Russian armed forces would still have about 3,000 non-strategic nuclear warheads.²⁶ The General Staff is convinced that such a structure of the Russian nuclear forces would be sufficient for accomplishing the tasks of strategic deterrence of a large-scale war and, if necessary, for inflicting "assigned damage" on the enemy. That's why Kvashnin demanded that the plan for creating the Strategic Command for all strategic nuclear forces be finally rejected and that the total control of all nuclear weapons be transferred to the General Staff.

To achieve this goal Kvashnin suggested unilaterally and immediately reducing Russia's nuclear forces to 1,500 warheads or less, slashing procurement of the Topol-M missile, and eliminating the Strategic Rocket Forces as an independent service.²⁷ According to the General Staff, the SRF are "one-shot forces": they fire their missiles and vanish. And since it is hardly likely that it will ever be necessary to fire them, for purposes of deterrence there is no need to maintain 22 missile divisions. "It is enough, for instance, for the US taxpayer to know that the Russians have just one missile left, but a missile that is guaranteed to deliver its nuclear charge directly to his home," said Kvashnin.²⁸

The SRF would be slashed from 22 to 2 divisions under the radical shake-up.²⁹ Thus the number of silo and mobile missile launchers would be cut by a factor of seven. In addition, the force would lose its independent status within Russia's armed forces and come under the command of the Air Force. If the Kvashnin plan were approved, the

25. *Itogi*, July 3, 2000.

26. Interfax, July 12, 2000.

27. *Current History*, October 2000.

28. Reuters, July 13, 2000.

29. AVN, July 11, 2000.

Russian strategic nuclear force would consist by the end of decade of as few as 100 single-warhead ICBMs, 8 to 11 strategic submarines carrying a total of 160 to 200 missiles, and 60 to 70 strategic bombers.³⁰

The Kvashnin plan envisaging the liquidation of the Strategic Missile Force had its own hidden logic. In order to get rid of the defense minister much hated by him and to take up his office, General Kvashnin was ready to liquidate the last remaining part of the destroyed superpower—the strategic missile forces of Russia. If implemented, this measure would reduce the power of Sergeyev, who made his career in the Strategic Rocket Forces and who received the bulk of his support within the military from the officers with whom he served there.

Kvashnin was completely deaf to the arguments of experts who asserted that the elimination of missiles in such a short time frame, the break-up of missile units, the compensatory payments, and the allocation of housing for a large number of discharged commissioned and warrant officers would require such vast expenditures in the next few years that the plan would have actually reduced the funds available for conventional forces. Russia would have needed new storage for missiles and fuel as well as additional storage for nuclear warheads removed from missiles—an asset that is in particularly short supply today. Cutting down production of Topol-M (Kvashnin proposed to limit production to only a couple per year) could have led to the unraveling of the network of about 200 contractors. The current production rate of about a dozen missiles per year is considered the minimum necessary to support this network (the annual cost-effective rate would be 30-35 when calculated per unit). Thus, the implementation of Kvashnin's plan could have resulted in the complete loss of the capability to produce intercontinental ballistic missiles (ICBMs) in the future.³¹

The arguments for redistributing 2 per cent of the military budget in favor of conventional forces at the expense of the nuclear forces look ludicrous.³² One can hardly expect that the Air Force, which has just

30. Interfax, July 26, 2000.

31. Nikolai Sokov, "Kosovo Syndrome" and the Great Nuclear Debate of 2000. PONARS 2000, #181.

integrated the Air Defense forces, to be able to successfully incorporate the Strategic Rocket Force, which had only recently absorbed the missile and space troops and the space defense forces.

Moreover, the Kvashnin plan completely contradicted the new Russian Military Doctrine, which is based on nuclear deterrence. The last vestiges of Russia's superpower status could thus be surrendered. But the General Staff succeeded in the beginning of 2000 in proving to Yeltsin that it was necessary to finally reject the idea of creating a unified Strategic Command. Otherwise, the role of the General Staff would have been reduced to looking after the infantry.

According to some Western analysts, Kvashnin provided the following reasons for his plan, based on his interpretation of Russia's immediate geopolitical requirements. These consist of four elements:

1. The territorial integrity of the Russian Federation must remain under the control of Moscow. This means preventing secessionist tendencies in places like Chechnya. Russia must also be in a position to defend its frontiers and territorial waters.
2. Moscow must insist on the neutrality of the rest of the former Soviet Union. Russia cannot afford to have NATO extend its membership to the Baltics or Ukraine. Nor can Central Asia fall under Western or Chinese influence.
3. Russia must have military forces sufficient to influence the calculations of NATO as well as the strategies of the former Soviet republics. Beyond a buffer zone, Russia must work to create a sphere of influence throughout the former Soviet Union and as far away as Eastern Europe. Forces must be available both to threaten operations and to execute them.
4. Russia must create a force capable of the first two missions within the constraints of the Russian economy.³³

32. *Vremya*, July 18, 2000.

33. Stratfor.com, "Superpower vs. Great Power: Inside the Russian Defense Debate," July 17, 2000.

Ultimately, Kvashnin was arguing for a great power strategy. Instead of projecting power globally, he sought the ability to project power regionally. A great power can defend itself from all neighbors and project power along its frontiers and even, to some extent beyond. Kvashnin's faction was also arguing that nuclear weapons are, in general, irrelevant to the actual correlation of forces.

Some observers believed that Kvashnin was essentially making the same argument that Yuri Andropov and Marshall Ogarkov made in the 1980s.³⁴

Kvashnin's behavior illustrated an intense power struggle within the Russian armed forces. His moves may have been motivated far more by politics than by Russian security considerations. If so, that would be no surprise. Kvashnin has long been described by Russian sources as a supremely political general, a man who is ruthlessly ambitious and who has long had his sights on the defense minister post. His apparently naked challenge to Sergeyev was allegedly meant to force President Putin to choose between the two men, and to at last make clearer his own priorities regarding the future development of Russia's armed forces.³⁵

Kvashnin put forward his plan in July 2000 at a strategic review of Russia's defense needs over the next 15 years, a meeting chaired by Sergeyev, after the scheme had previously been forwarded to the Kremlin for approval by Putin. Sergeyev, normally known for his public reserve, called the plans a "psychotic attack" and "plain madness."³⁶ Commentators concluded that Kvashnin had outplayed his elderly colleague.³⁷ "Now, the Marshal has no option but to endure the blow with dignity, especially as the fateful changes for his favorite branch of the armed forces will not begin immediately. The same considerations should prevent the newly-promoted Army General

34. Stratfor.com, "Superpower vs. Great Power: Inside the Russian Defense Debate," July 17, 2000.

35. *Jamestown Foundation Monitor*, July 13, 2000.

36. Reuters, July 15, 2000.

37. Reuters, July 13, 2000.

Vladimir Yakovlev, Commander-in-Chief of the SRF, from submitting his resignation, irrespective of how personally insulting and disastrous for Russia he thinks the decision by the supreme authority is," wrote the newspaper *Izvestiya*.³⁸

The row reached the point where it clearly harmed the functioning of the Defense Ministry's leadership. The Strategic Rocket Forces commanders sent Kvashnin an unprecedented letter calling on him to rethink his plans. "A sharp cut in the strike formations of the rocket forces can have negative political, military-technical and socio-economic consequences for Russia and its international authority," the letter said.³⁹

"For the first time in the history of the Russian army, an acting chief of the general staff has spoken out against the defense minister," wrote the respected daily *Kommersant*. The event "can only be described as an attempted coup within Russia's military." But *Kommersant* also said Kvashnin was confident that he had the backing of the Kremlin or he would not have spoken out.⁴⁰

Yet Putin's official documents on the issues of national security, the military doctrine, the foreign policy concept and also the recent presidential state of the nation address underline that, despite the restricted nature of all its resources, Russia must become one of the centers of a multi-polar world. The reliable deterrence potential of strategic force has been proclaimed as the basis for ensuring the national security of the Russian Federation.

The international dimension of the debate

The Sergeyev-Kvashnin row had serious consequences in international affairs. Analysis of foreign media coverage, and also active comments by Western, above all by U.S., experts on disarmament issues, proved that the conflictual character of the debate about strategic

38. *Izvestiya*, July 13, 2000.

39. Reuters, July 13, 2000.

40. *Kommersant Daily*, July 12, 2000.

nuclear forces reform was weakening Russia's positions in its bilateral dialogue with the United States concerning the ABM Treaty and within the START III framework.⁴¹

The great debates about the large-scale cutbacks in the Russian armed forces have coincided with an unprecedented cooling in U.S.-Russian relations. Moscow continues to oppose U.S. plans to deploy a National Missile Defense system (NMD), saying this would undermine the existing international security system. But the Kvashnin plan would undermine Moscow's position in strategic offensive and defensive weapons talks and could dramatically increase the efficiency of the planned U.S. national missile defense [NMD] system. If the Kvashnin plan were implemented and the U.S. NMD is more efficient than it is announced to be, "the Russian nuclear potential may be thoroughly neutralized."⁴²

Today calls are heard in Washington to take advantage of Russia's economic dependence and not to agree to a compromise until Russia makes concessions on political and military issues. A key concession would be Russia's consent to the American demand to give up the ABM Treaty, which is a cornerstone of strategic stability. If the United States withdraws from the ABM Treaty, in a few years Americans will get a decisive superiority both in defensive and offensive armaments.

The opponents of Kvashnin warned that the "unilateral reduction of the Russian nuclear forces would allow the Pentagon to plan a preventive strike without fear of a retaliatory nuclear strike...It would be sufficient for the United States to have just two submarines patrolling off Russian shores to destroy in one salvo 100 Russian ICBMs and a dozen of submarines and heavy bomber bases."⁴³

It is reported that there are about 2,260 so-called vital Russian targets in the US war plan SIOP today, with only 1,100 of them actual nuclear arms sites within Russia. American nuclear weapons are also report-

41. *The Moscow Times*, July 27, 2000.

42. *Nezavisimaya Gazeta*, July 26, 2000.

43. *Nezavisimaya Gazeta*, July 26, 2000.

edly aimed at 500 “conventional” targets—the buildings and bases of a hollow Russian army on the verge of disintegration; 160 leadership targets, like government offices and military command centers; and 500 mostly crumbling factories.⁴⁴

American strategic planners have historically set the level of damage that they wish to inflict on vital targets at 80 percent. This is tantamount to requiring US forces to be able to destroy 80 percent of the 2,260 Russian targets, which in turn requires the ability to deliver nearly 1,800 warheads to their targets. That’s why the United States has about 2,200 strategic warheads on alert, according to numbers provided by Strategic Command officers. Virtually all American missiles on land are ready for launch in two minutes, and those on four submarines, two in the Atlantic and two in the Pacific, are ready to launch on 15 minutes’ notice.⁴⁵

The Kvashnin plan would reduce the number of strategic targets on the territory of Russia to a few hundred. Because incoming U.S. missiles would hit their targets within 10 minutes, Russia could be incapable of striking a retaliatory blow after the U.S. strike or even to carry out a launch on warning.

If Russia were to announce deep unilateral cuts in its strategic weapons, the United States would not be encouraged to reciprocate and U.S. violation of the ABM Treaty would be given a green light.

Conversely, the threat of a rapid buildup of the Russian strategic nuclear forces would most probably strengthen the hand of NMD opponents both in the United States and among its allies. That would consolidate the Russian positions in the talks with the United States on START III and the ABM Treaty.⁴⁶ Even a limited national ABM system with 250 interceptor missiles, which the Clinton administration planned to deploy, would be capable of protecting the

44. *The New York Times*, June 12, 2000.

45. *Ibid.*

46. Interfax, July 26, 2000.

US territory from the surviving Russian warheads. A more robust BMD advocated by the Republicans would have greater efficiency.

The Russian military are also concerned that the United States will have a possibility to deliver a counter-force blow with the help of the latest high-precision long-range conventional armaments. The Pentagon purchases thousands of sea-launched cruise missiles and ultra-modern aviation systems, which can keep within their sight an overwhelming majority of strategic targets on the territory of Russia.⁴⁷

The Kvashnin plan could also deprive Russia of advantages over other nuclear powers such as China, Britain, and France.

Kvashnin's critics argue that implementation of his plan would give the United States a huge military advantage, far beyond what it would get if the U.S. NMD system that Moscow so strenuously opposes were deployed.⁴⁸

The implementation of Kvashnin's proposals would turn these promises into a verbal cover for Russia's unilateral disarmament and give a green light to the deployment of the US ABM system and push a whole number of countries into the missile-nuclear arms race. The Russian positions at the negotiations on START-III and the ABM accords would also be undermined.⁴⁹

Opponents claimed that Russia with only a small number of missiles would pose a greater danger to America and the whole world than the current Russia with a powerful nuclear capacity. Once Russia loses the ability to deliver a retaliatory strike in the event of nuclear attack, the Kremlin would be compelled to bank on a preemptive strike. The Kvashnin plan was a strategic signal for the United States: Russia would be giving up the model of mutual nuclear deterrence on which strategic stability has been based for several decades.⁵⁰ This would

47. *Vremya*, July 18, 2000.

48. *Itogi*, July 3, 2000.

49. *Vremya*, July 18, 2000.

50. *Vremya*, July 18, 2000.

mean that political tensions could in the future prod Russia toward using nuclear weapons first.

Honoring more than 20 international treaties in the field of disarmament is extremely costly for Russia. "Every year Russia's outlays for honoring the international treaties in the field of disarmament are approximately equal to the yearly expenditure on the Russian armed forces' upkeep," the head of the Russian General Staff's national center for reducing the nuclear threat, Lt-Gen Vyacheslav Romanov, told a news conference. He said that, "In the very best years of the post-Soviet period no more than 15-20 per cent of the planned expenditures were allocated to implementing international treaties." Moreover, it was the Russian Defense Ministry that shouldered the main burden of responsibility for carrying out the agreements. The main costs are connected with the utilization of armaments and military equipment.⁵¹

51. Itar-TASS, February 28, 2001.

Putin takes charge

Who is Putin?

In the West there has been a lively discussion about the Russian leader's intentions and the factors that constrain him. To date, Western analysts have expressed three views.

The first view is that the new Russian president is a younger, more vigorous Boris Yeltsin, ultimately committed to economic and political reforms. Putin's overall objective is to create conditions for the potential success of the market economy and to further the success of industries in the international market. While Yeltsin concentrated his efforts on achieving low inflation and international credit-worthiness, Putin is unwilling to sacrifice the core economic and political sectors in order to achieve these particular objectives.

"He's the first Russian leader since Peter the Great to spend more than a few weeks outside the country," said Russian expert Marshall Goldman of Wellesley College, referring during a visit to Moscow to Putin's service abroad with the KGB. "I think he has a real ambition to try to make Russia more a part of the outside world."⁵² "After the erratic but generally pro-Western leadership of the Yeltsin era, President Vladimir Putin has brought a more nationalist tone to Russian diplomacy," wrote *The New York Times*. "He is steering Russia on a more assertive and independent course than his predecessor, Boris Yeltsin. But it may also prove to be a more predictable and pragmatic course."⁵³

52. *The Chicago Tribune*, June 11, 2000.

53. *The New York Times*, March 17, 2001.

The second view is that former KGB officer is that he is a non-entity, a product of the bureaucracy, with no idea of where he is going or what he will do.⁵⁴ *The Washington Post* wrote:

Putin walks and talks confidently enough, to be sure, and he has built up unprecedented public approval. He is so popular (76 percent trust him, according to the most recent poll) that no political party would take the risk of calling itself the opposition. He has made the powerful business tycoons compliant and the unruly governors obsequious. He has gone a long way toward destroying the independent media company Media-Most. This does indeed make him look authoritarian. But does Putin have any idea of what he wants to do with the immense power he has accumulated—of how he wants Russia to evolve? Instead of exercising his will to make up for lost time and speed badly needed reforms, Putin has avoided making decisions; he ducks the hard choices.⁵⁵

The third view is that Putin is likely to expand his personal beachhead in the state bureaucracy through strategic appointments of former colleagues and political allies to top posts. It is often said that power in Russia flows from the bureaucracy, not the people. Each new leader must painstakingly enforce his personal authority by placing loyalists in all the top jobs, a process that can take years, before accumulating enough real power enact his political program. And that probably means many more veterans of the KGB and its post-Soviet successor, the Federal Security Service (FSB), will be planted in high offices. According to *The Christian Science Monitor*:

Power is passing to the FSB because it is the only viable political force in Russia today, and the only place where serious professional administrators can be found...Putin knows that a major impulse will be needed to implement his political goals, and for that he needs capable, loyal, and determined people. It carries the risk of increasing authoritarianism, but it also

54. Stratfor.com, *Global Intelligence Update*, March 27, 2000.

55. UPI, February 4, 2001.

feels like a fresh wind after a decade of stagnation under Yeltsin.⁵⁶

Putin's Agenda

Russian policy under Vladimir Putin has undergone a substantial evolution. His assessment of national security interests seems to be different from Yeltsin's. Apparently Putin's goal is to bolster Russia's status as a world player rather than simply accept a supplicating role in international negotiations. At the same time Putin prefers pragmatic policies and practical approaches to promote the national security interests of the Russian Federation.

On one hand, the composition of Putin's domestic, political, and economic coalition is unlike that of Yeltsin's. On the other hand, since he came to power, Putin has been able to rely on high energy prices to stabilize the economic situation in Russia. That has allowed him to limit the oligarchs' influence and the authority of the regional bureaucracies.

Putin refuses to accept a subordinate world role for Russia. In changing the means by which economic prosperity is to be reached, Putin has begun to take advantage of Russia's geopolitical location, seeking a multi-polar world in which Russia would be a great Eurasian power. He is trying to diversify Russia's position, reaching out to countries such as China, India, Iran, and Iraq. In addition, trade with these countries has the added appeal of coinciding with the current leadership's own domestic priorities, such as military modernization and support for defense industries.

Since he became president, Putin has had to grapple with two central problems. The first is taking control of the economy and directing what capital there is into meaningful economic activity. This, in turn, requires the means of the state to be enlisted to co-opt opponents if possible, and to frighten them if necessary. The second will be protecting Russian national security from the overwhelming power and influence of the West despite Russia's present weaknesses.

56. *The Christian Science Monitor*, March 30, 2001.

Russia remains a leading nuclear power, but Putin has encountered challenges that threaten to further degrade the military's efficiency. The Russian war machine, after years of Russia's economic decline, has lost its impressive power and Russia's military industry is no longer able to compete with the West.

According to Putin, "Russia doesn't bargain for a great power status, because it is, in fact, a great power. This is determined by its immense potential, history and culture."⁵⁷ But he himself admitted the poor state of the Russian defense budget: "In real life, though, Russia's national defense appropriations are rather unimpressive. If we compare their volume with similar US appropriations (in line with a long-standing tradition), then we'll see that the US defense budget exceeds such appropriations 100-fold."⁵⁸

Despite Russia's economic troubles, Putin says the country must be considered an equal partner in the international arena. This assertion reflects Putin's push to portray Russia as a major power, even as the Kremlin says it will trim commitments abroad to conserve scarce resources, place more emphasis on assisting the country's economic recovery, and build a stronger state.

57. *Rossiyskaya Gazeta*, June 15, 2000.

58. Ibid.

Politics and the Military Under Putin

Putin came to power on the strength of the military campaign he launched against Chechen separatists while he was Prime Minister. It was widely believed that, as a veteran of the KGB secret police, he would be in a strong position to influence Russia's military and security establishment.

Putin had already focused on the military while he was acting prime minister. His government's first legislative action was to reestablish military training in secondary schools, both public and private. The Ministry of Education's plans to expand the school curriculum to 12 years would also have a military impact. Boys would graduate from high school not at 17, as now, but at the conscription age of 18, and would not have time to try to gain acceptance to colleges that could grant draft exemptions.⁵⁹

After Putin took office, he issued a number of presidential decrees concerning the military. On his first day in office as acting head of state (December 31 of 1999), he signed a decree on "Readiness of Russian Citizens for Military Service," which revived the Soviet-era practice of providing two to three hours a week of military training in state schools.⁶⁰

Among these was a decree that re-established mandatory training exercises for reservists.⁶¹ Other decrees related to military administration and public information about the war in Chechnya. On January 27, 2000, Putin's finance minister announced that defense spending would be increased by 50 percent.⁶²

59. *The New York Times*, February 29, 2000.

60. *The Moscow Times*, February 11, 2000.

61. *The New York Times*, February 29, 2000.

62. *Ibid.*

Even when appealing to Russians to cast their vote on Election Day, March 26, 2000, Putin couldn't help reminding them that they were choosing not just a president, but a Commander-in-Chief as well. In return for his attention, the military gave Putin its support. His score among military personnel voting in Chechnya was very high. The army appreciated Putin's decisiveness during the anti-terrorist operations in Chechnya and his willingness to take full responsibility for the army's actions in the rebellious region, including its clearly excessive use of force. The military also hoped that Putin would fulfill his promises to improve their financial situation.⁶³

The first official event Putin attended as President-elect was a ceremony to mark the Interior Troops anniversary. But relations between the army and him inevitably faced testing times.

On February 7, 2000, while he still was acting President, Putin signed a decree that some observers believe was a step toward reinstituting the Soviet-era practice of placing "commissars" inside Russian military units. The new decree—No. 318, called "On the Directorates (Departments) of the Federal Security Service in Armed Forces, Other Troops, Troop Formation and Organs"—reportedly assigns the FSB units within the armed forces such tasks as "the elimination of negative phenomena within the army environment." It has been suggested that this vague language can easily be interpreted to include such things as the political views of a military officer or his "unsanctioned contacts with the press."⁶⁴

In an apparent reaction to that report, FSB spokesman Alexander Zdanovich claimed that the "security organs within the armed forces are not receiving any additional power," and that the new directive "only brings the security organs into conformity with the existing structure of the armed forces, where over recent times reforms were carried out," and is based on the federal law on the security organs, which "carefully maps out" the powers of the FSB.⁶⁵

63. *The Russia Weekly*, April 3-9, 2000.

64. *Izvestiya*, February 14, 2000.

65. *Interfax*, February 14, 2000.

The commentary in the official government newspaper in connection with this decree cast the military in anything but a favorable light while lamenting the dismantling of the KGB during the period of demonstrations calling for “universal democratization.” Specifically, it reminded readers that, “the army...itself can present a potential threat for its own citizens. Powerful weapons, in particular weapons of mass destruction, are in the hands of servicemen, and any unsanctioned action with them can lead to unforeseeable results. In order to safeguard the country, its constitutional order, citizens, and in equal measure the Armed Forces themselves, the state stipulates an entire system of defensive measures.”⁶⁶

The presence of state security units within the armed forces, in fact, had never fully disappeared. Following the fall of the Soviet Union, the task of watching over the military passed from the third department of the KGB's main directorate to the military intelligence departments of the KGB's various successor organizations. State security agents within the military ranks, however, were basically robbed of their Soviet-era political function. Over the last few years, the units of the Federal Security Service (FSB) within the armed forces have been used not only to counter the activities of foreign intelligence organizations, but also to root out criminal activities within the armed forces, including the theft of weaponry, and perhaps with less success, to ensure “the observance of law” within the ranks. There has also been talk of transferring these functions from the FSB to either the Defense Ministry or the GRU, the military intelligence service.⁶⁷

While it remains to be seen whether Putin's new decree really means the revival of “political commissars” within the armed forces, it is worth noting that the measure comes on the heels of others that might be viewed as part of an overall attempt to reinstitute elements of stricter control over society.

It was perceived as Putin's move to strengthen the FSB in ways that appear consistent with his goal of strengthening the state and law

66. *Rossiyskaya Gazeta*, February 12, 2000.

67. *Izvestiya*, February 13, 2000.

enforcement and weeding out some forms of corruption. The decree is therefore likely targeted at the problems plaguing the armed forces such as crime, corruption, *dedovshchina*, and the general lack of discipline and/or at improving counter-intelligence.

Putin's decision to make his new federal districts correspond to military district lines and to appoint generals to head all but two of them opened a new era in Russia's civil-military relations. In the West it was interpreted as likely to lead to the militarization of politics and the politicization of the military.⁶⁸ Many observers were struck by the coincidence of the seven federal districts and existing Russian military districts on the one hand, and by the appointment of generals and former generals to head five of them on the other. Some analysts argue that this combination points to the transformation of Russian political life in a military direction.

This arrangement gave Putin's appointees access to the capabilities of the military staffs—operative links with the armed forces and Moscow, communications possibilities, and armed units at hand. Moreover, because most of the new federal district heads were generals who were used to governing by decrees that are carried out by subordinate officers without question, they were expected to operate that way, although they were appointed to nominally political positions.

Putin's reliance on the military and security bodies had an impact on the central government in Moscow as well. It was speculated that the Kremlin did not intend for Prime Minister Mikhail Kasyanov's cabinet to be the real Putin administration, but the Security Council, which was dominated by the military and security personnel, would be.⁶⁹ This approach reflected both Putin's obvious belief that "the greatest threat Russia faces is disintegration" and his equally obvious conviction that a "military system of subordination" will "automatically" solve the country's problems because both the military and the population would simply follow orders.⁷⁰

68. RFE/RL, June 5, 2001.

69. Ibid.

70. Ibid.

Thus, the introduction of military command methods for political ends was intended to centralize the political authority and undermine the power of regional governors.

This use of the military for openly political ends may prompt some commanders to try to play a greater political role than Russian generals have normally done in the past. But politicization of the military over the longer term may prove to be an even greater problem for Moscow than the militarization of politics Putin appears to be sponsoring now.⁷¹

Putin has publicly insisted that Russia's armed forces should not be involved in politics and should stay under civilian control. The armed forces "should be outside politics and should be under society's control, and there should definitely be a sufficient level of well being for the military," Putin said during an Internet news conference.⁷²

Since the tragic death of general Lev Rokhlin, the head of the Movement for the Support of the Army, none of his colleagues have taken it upon themselves to criticize the government's initiatives to reform the armed forces. However, Putin has taken a series of energetic measures to reform the structure of the armed forces and the mechanisms for financing them. Many soldiers have been paid wage arrears dating back many months. The latest "Chechen operation" served to restore some respect for the army. Money for the army's alimentary needs was finally paid to the Ministry of Defense. The problem of housing shortages for officers and their families was addressed at long last. Compared to the last years of Boris Yeltsin's presidency, it would seem that the military did not have anything in particular to complain about. The army was not living worse than the rest of the population. But they want to live better.

Some of the military did not like Putin's plans to radically reduce the armed forces' numbers. Thus, former Minister of Defense Rodionov, who ceremoniously quit the Security Council after Boris Yeltsin made some rude remark about him, and his fellow general Alexander

71. RFE/RL, June 5, 2001.

72. *Interfax*, March 6, 2001.

Vladimirov, president of the Board of Military Experts, decided to warn the public that incompetent reform plans for the army and navy have already turned Russia's armed forces into an "unprofessional horde."⁷³

Rodionov and Vladimirov presented the country's leadership with a detailed 20-point plan outlining the "correct" approach to military reform and proposing who should take responsibility for its implementation. They stressed that, if the Ministry of Defense alone were charged with reforming the armed forces, then the army would simply be turned into an "engineering corps."⁷⁴ However, they claimed that in order to implement reforms, the General Staff and the Ministry of Defense must be united along the lines of the General Staff of the Soviet era. They also called for a common one percent military tax to be introduced and for government bills to be issued to raise money for the forces. In addition they are asking the Central Bank of Russia to grant the military a \$3 billion loan.⁷⁵ Rodionov and Vladimirov also advocate the demilitarization of Russian society and propose that only the armed forces, the Federal Security Service (FSB) and the Federal Border Service (FPS) remain military services, while the government information agency (FAPSI), the Ministry of Interior, the Foreign Intelligence Service (SVR), and other structures should be turned into civilian agencies.

Despite his interest in all things military, Putin did not seem to have his "own" general, a man he could trust the way he does his former KGB colleagues, to put in charge of the defense establishment. For the time being then, Putin has had to leave the armed forces as they are. Whatever choices Putin had to make, he was inevitably going to trample on the interests of competing groups in the military high command.

73. Gazeta.ru, February 20, 2001.

74. Traditionally, conscripts who are physically unfit to serve in combat battalions are drafted into the engineering corps.

75. Gazeta.ru, February 20, 2001.

That's why he didn't put an end to the dispute between Sergeyev and Kvashnin. *This was more than just a squabble between different branches of the Armed Forces: as represented by Sergeyev, the strategic rocket forces man, and Kvashnin, from the ground troops. It became a conflict about the future shape of the Russian Army.*⁷⁶

If the emphasis were to be placed on the nuclear deterrent, then this supposes that Russia does not face any serious large-scale conventional military threat. Following this logic, conventional forces would be needed only for limited operations. The approach taken by General Staff, by contrast, would mean recreating a smaller version of the Soviet army, which was able to fight half the world if need be.

Putin will soon have to decide on which of these two options he will expend the limited resources available to him. Will Russia opt to produce 30 to 40 new Topol-M missiles a year to replace its aging nuclear arsenal rather than the 6 it managed last year? Putin knows full well that it is precisely the nuclear arsenal that gives Moscow leverage on the international stage and places him on an equal footing with the leaders of developed countries.⁷⁷ Or will the money go to conventional military technology?

Apparently Putin decided that Yeltsin's 1996 decree on transition to a professional army by the year 2000 would remain unfulfilled. If he decides to stick with a conscript army, then Sergeyev's military reforms will be left devoid of any substance.

Even after the catastrophic sinking on August 12, 2000, of the nuclear-powered submarine *Kursk*, one of the most modern in the Russian fleet, Putin did not clean house at the top levels of the military, as many had expected.

Putin faced a fundamental and increasingly open split between the top military commanders. He originally steered a cautious, middle course, ordering troop cuts in both strategic nuclear and conventional forces. But he had to settle a far-reaching dispute within the

76. *Russia Weekly*, April 3–9, 2000.

77. *Ibid.*

military establishment over how the Russian Federation should defend itself, and against what threats, and he had not done that as of this writing.

Specific military reform steps under Putin

Although he had been acting president since December 31, 1999, and was elected president in his own right on March 26, 2000, Putin took some time before he waded into the issue of military reform. He shut down the debate between Sergeyev and Kvashnin only after Sergeyev went public—not when Kvashnin did. Putin conducted two meetings with Sergeyev, Kvashnin, and Security Council Secretary Sergey Ivanov. They discussed future ways of reforming the forces. The President wanted to go into details of the problem and to reconcile his two highest military officials. He proposed that the two prepare a package of documents on military reform together, which would be considered by the Security Council in late July 2000.⁷⁸

On July 31, 2000, Putin fired or forced the retirements of 10 top Russian military officers.⁷⁹ Analysts say many of those Putin targeted were allies of Sergeyev, who would be the next to go because of his unusually public battle against the plan to slash Russia's strategic rocket forces. The purge, analysts said, suggested that Putin was tilting toward Kvashnin.⁸⁰

The August 11, 2000 meeting

On August 11, 2000, Russia's Security Council met in session to discuss a strategy for military planning in Russia through 2015. At this meeting Putin said, "I have been rather tolerant of the polemics running in the military establishment and in society in general (as for society, it is natural and right). But today we must draw a line under it, adopt a considered decision and map out a plan for its realization."⁸¹ At the meeting of the Security Council, they participants

78. *Nezavisimaya Gazeta*, July 18, 2000.

79. *The Christian Science Monitor*, August 2, 2000.

80. *Ibid.*

adopted certain innovations that, while falling far short of what Kvashnin proposed, did not merely uphold the status quo, the goal of Sergeyev. In this sense, neither “won” in this conflict.

At the meeting, Putin declared:

This is an issue of major importance not only for the military establishment. It is an issue that concerns without exaggeration the whole country, the fate of the state and of every citizen. It is not an ad hoc question. It is a nation-wide issue. It is nation-wide also because it calls for tremendous resources. On its correct handling depends not only the state's security, but also the well being of its citizens. Already we are spending huge sums of money on defense and security requirements. We need a clear and precise understanding of the place and role of the Armed Forces, need a clear and precise assessment of the threats facing Russia.⁸²

Putin called for “an appropriate and balanced military policy.” He warned his officials not to repeat the Soviet mistakes when mountains of weapons were piled up without restraint, admitting that the arms race “was also one of the reasons for the collapse of the Soviet Union.” He continued, “Where are these mountains of arms today? Some of them got into bandit hands and are turned against us. Some we are having to scrap, spending enormous sums on it. Some have found themselves in other states. Huge amounts are to be brought back to the territory of Russia, but we still cannot do this. Was it an efficient use of state funds? I think not.”

Describing the gap between the military expenditures and the force structure, Putin said:

If one takes a look at today's situation, one must acknowledge that the breakdown of expenses not only in the Armed Forces, but also in all power structures, is hardly optimal. We cannot describe it as optimal today when, despite considerable resources being commit-

81. *Krasnaya Zvezda*, August 16, 2000.

82. *Krasnaya Zvezda*, August 16, 2000.

ted by the state to the country's armed and power-related component, many of our units conduct no drills, no combat training. If pilots do not fly, if sailors almost never put to sea, is everything all right in terms of the structure of the Armed Forces?

Putin said, "This structure must correspond exactly to those threats which Russia faces and will be facing in a near historical perspective. Our Armed Forces, and all our power-related components, are they effective? Unfortunately, no."⁸³ Despite that, Putin claimed that today Russia is in a position to rebuff the threats it encounters, but warned that "endlessly exploiting the human factor is impossible."

He announced:

So the paramount task facing us now is to define a strategy for the development of the country's Armed Forces until 2015, bearing in mind, on the one hand, the state's requirements and, on the other, its possibilities. We should proceed from the assumption that all our moves should be absolutely balanced, checked out and economically substantiated.⁸⁴

The most important outcome of the August 11 meeting was the decision to develop a more comprehensive and elaborate plan of military reform. In the wake of the *Kursk* sinking and the failure of Russian rescuers to save the 118 seamen trapped at the bottom of the Barents Sea, Putin confirmed his pledge to reform the armed services. He thus once again demonstrated his preference for compromise and moderation over conflict and "quick fixes."

From August to November 2000

On September 27, 2000, members of the Council assembled for a "working conference" where Putin announced that discussion of military reform would be postponed until November because the relevant agencies could not reach a consensus. The strongest opposition

83. Ibid.

84. Ibid.

came from the 11 power agencies other than the Ministry of Defense, which have armed units and are reluctant to lose status.

By November it was announced that there would be no change of status before 2006 for Russia's strategic rocket forces. Sergey Ivanov, Secretary of the Security Council, said in an interview that the Strategic Rocket Forces would remain a separate army branch for at least six years. "Only after 2006 will the issue of a possible change of status of Strategic Rocket Forces be discussed," he said.⁸⁵ Until 2006 the force would gradually shrink as older missiles were decommissioned. Under the new plan, the Strategic Rocket Forces are to be transformed from a separate armed service to an ordinary combat arm. The share of the SRF in the forthcoming armed forces cuts is to be about 80,000 personnel. In parallel, work is under way on the technology of maintaining alert duty with reduced forces and decisions are being drafted for withdrawing nuclear units from subordination to commanders of missile divisions.

In November 2000, Putin proposed cutting the nuclear arsenals of Russia and the United States to below 1,500 warheads each, the Interfax news agency reported. "As is well known, we proposed to the United States, including at the highest level, to aim towards a radical cut in nuclear warheads of our countries to 1,500, which is perfectly feasible by 2008," Putin was quoted as saying. "But this is not the limit. We are ready in the future to look at further reductions," the president said in a statement according to Interfax.⁸⁶

The November 2000 meetings

The Security Council later met to discuss the reform of the state's military organization as a whole on November 9, 2000. That session was the logical continuation of the August 11 and the September 27 sessions. An inter-departmental working commission, established by presidential instructions, headed by Ivanov, included top officials from all concerned government bodies, among them three vice-premiers—Ilya Klebanov, Aleksei Kudrin, and Valentina Matviyenko.⁸⁷

85. Reuters, November 2, 2000.

86. Interfax, November 13, 2000.

On November 20, 2000, Putin strode onto a stage at Defense Ministry headquarters to address Russia's top generals and admirals in their annual review. Putin gave them a dressing down. "We continue to talk and have meetings," he lamented, "while the flywheel of reform runs mostly idle."⁸⁸ The President told the generals that the morale of the armed forces is poor, that their armaments are out of date and that they are today "not fit to fulfill their tasks" in defending Russia. Putin said that the high losses of Russian servicemen in Chechnya prove that the armed forces are in disrepair, and he also stated that "our conceptual decisions have not been fully implemented," a thinly veiled indictment of unnamed officials who might soon carry the blame.⁸⁹

The January 2001 Meeting

Putin met again with senior officers on January 18, 2001. He said that 2000 had been a year of key decisions, such as the approval of the military doctrine and an inspection of the military organization of the country. He believed, however, that the reform of the armed forces was taking too long. The President finally signed a decree approving a plan for the development of the armed forces. Drafted by the Defense Ministry on the basis of decisions approved by the Security Council in August and November 2000, the document says that the Defense Ministry and the General Staff had managed to overcome, on the whole, the acute differences between them and to forward a coordinated document to the head of state.⁹⁰

Under this approved development plan, there will be three services, to be used in their spheres of operation (land, air and sea). These will be the Land Force, the Air Force and the Navy. In addition, there will be three independent arms: the Airborne Force, the Space Force (to incorporate the formations and units of the Missile Space Defense Force and the Military Space Command, which had been a part of the

87. *Nezavisimaya Gazeta*, November 29, 2000.

88. *The Washington Post*, November 30, 2000

89. *The Moscow Times*, November 23, 2000.

90. *Nezavisimaya Gazeta*, January 19, 2001.

Strategic Missile Force), and the Strategic Missile Force, which is to be subsequently integrated into the Air Force.

Putin also took a decision to establish a new combat arm of the Russian Armed Forces—the Space Troops. The main principles of Russia's policy in regard to space activities had been considered at the Security Council meeting held in the Kremlin on January 25, 2001, under his chairmanship. A number of documents on the prospect of space activities had been put on the agenda of the meeting, according to Alexei Moskovsky, Deputy Secretary of the Security Council. Among them was a mid-term program called “The Main Principles of Russia's Policy in Space Activities until 2010.” According to Moskovsky, a draft resolution of the Security Council takes into account the main problems facing the activities of the space industry. “This project is aimed at stopping the decline in space activities and building the foundations for the development of the ground infrastructure,” he pointed out. Among the main problems Moskovsky singled out were the aging of the orbital satellite force, the reduced manufacture of space vehicles, the exodus of skilled personnel from Russia, and the aging of equipment.⁹¹

Putin also approved at the same time a draft program for modernization of the Russian armed forces (including, apparently, plans for defense procurement and development of the defense industrial sector). On February 16, 2001, Putin signed a decree on military development plans for the next several years.⁹² The decree is classified top secret, and its contents are known to only a select few.

A third document would be a draft concept on the Russian government's military development policies for the period until 2010 (which is presumably based on the documents signed January 16), will reportedly be submitted for official presidential approval around June 2001.⁹³

91. <http://strana.ru/state/defense/2001/01/25/980437434.html>

92. *Vesty*, February 22, 2001.

93. AVN, January 22, 2001.

With all these changes, the total size of the defense establishment—including civilian workers—is to fall from approximately 3.1 million to about 2.5 million people.⁹⁴

Despite all these indications of change, Putin has been trying to steer a cautious, middle course, pushing for troop cuts in both strategic nuclear and conventional forces. But he has yet to settle the far-reaching dispute within the military establishment over how post-Soviet Russia should defend itself, and against what threats.

94. *Jamestown Foundation Monitor*, January 26, 2001.

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Civilian control at the Ministry of Defense

In March 2001, President Putin ordered a dramatic reshuffle of the defense establishment. In a dramatic bid to secure control over Russia's unruly army, he announced a cabinet shakeup that aims to bolster his personal power and overcome military resistance to his long-delayed reforms. Almost exactly a year after winning election, he moved abruptly to install his own loyalists in key posts at the top of the military and security apparatus. He personally announced the appointment of Security Council Secretary Sergey Ivanov to the Defense Ministry post, while Marshal Igor Sergeyev was reassigned to become "the presidential aide on strategic stability." Ivanov, who retired from the FSB as a Lieutenant General in 2000, was identified as a civilian.

Putin justified his decision by saying that, as Security Council Secretary, it was Ivanov who oversaw the interministerial working group that drew up a military reform program. Now he would have to implement this program.⁹⁵ The fact that Putin appointed a close ally to the defense minister's job suggests he really does consider military reform a top priority. The media reported that, "Putin installed his closest ally as Defense Minister in an effort to overwhelm the silent opposition from the top brass to his plans to radically restructure Russia's depressed war machine into a slim but efficient fighting force."⁹⁶ Putin himself called his decision "a step to demilitarization of Russia's public life."⁹⁷

It has come as no surprise for most observers that Ivanov was appointed Defense Minister. Experts predicted precisely this scenario. He headed the interagency working group on military organi-

95. *Russia Journal*, March 31-April 6, 2001.

96. *The Moscow Times*, March 29, 2001.

97. *Krasnaya Zvezda*, March 30, 2001.

zational development in the Russian Federation the President had ordered be created and he had studied to a nicety all nuances of the upcoming overhaul of the national military organization. Ivanov clearly had Putin's ear and he was able to transform the Security Council into a major Kremlin policy-setter by building on that personal confidence. Under Ivanov, the council was the forum for deciding questions ranging from Chechnya to the media to educational policy. Obviously, the new defense minister will need all the political clout he can muster to get military reform going and keep it on track. Moreover, Ivanov's conservative-patriotic credentials may help stifle the inevitable cries that any change to the military is an assault upon Mother Russia. No doubt these qualities enabled Ivanov, with support from Putin, to engineer the Security Council's unanimous endorsement for the reforms.

As his deputy, Ivanov got Mrs. Lyubov Kudelina, the first woman in Russian history to occupy a high position at the Ministry of Defense. Previously she had spent many years at the Finance Ministry and occupied the position of deputy minister, responsible for budget allocations to the so-called power agencies. When she was in charge of the military budget at the Finance Ministry, Kudelina insisted on maximum secrecy.

Another new Deputy Defense Minister, Colonel General Aleksei Moskovsky, will be directly in charge of the rearmament program. Before his latest appointment, he was a Deputy Secretary of the Security Council and supervised matters related to the military-industrial complex and military-technical cooperation.

Putin also removed Colonel General Vladimir Rushailo from his post as Interior Minister and installed another civilian, the Duma Unity Party faction leader Boris Gryzlov, as Russia's top policeman. General Rushailo was in turn appointed the Secretary of the Security Council.

The fact that former Interior Minister Vladimir Rushailo and the dismissed head of the tax police, Vyacheslav Soltaganov, were appointed to the Security Council suggests that body's status will be reduced. It will most likely return to its Yeltsin-era status as an honorary body for distinguished retirees. But this move may also signify that Putin is dissatisfied with the existence of competing bodies within the executive

branch. Over the last year, for instance, the Security Council and the Foreign Ministry oversaw overlapping jurisdictions, causing considerable inefficiency and discord. Putin apparently wants his key agencies to have sharply delineated functions and be accountable directly to him. The president said he expects that the Security Council will focus more tightly on policy issues related to conflicts in Chechnya and elsewhere in the Caucasus. Very likely, this approach will entail a heightened role for the agencies of the former KGB, which would function as a watchdog over powerful ministers, as it did in Soviet times.⁹⁸

The President also sacked Nuclear Power Minister Yevgeny Adamov, who had come under mounting pressure for alleged corruption, abuse of office, and controversial plans to import spent nuclear fuel for storage and sell nuclear technology to Iran. The head of the Kurchatov nuclear institute, Alexander Rumianets, replaced Adamov.

Putin's actions were interpreted as "his first major salvo against the entrenched Yeltsinites he inherited a year ago, but he did so in a way that preserved stability for which he has been acclaimed."⁹⁹ Observers noted that, by radically reshuffling his security team while leaving his economic team untouched, he managed to preserve the delicate balance between the Kremlin's various clans of influence.

Russian observers noted that there was a definite logic to the new appointments. Three of the four new appointees (Sergey Ivanov as defense minister, Boris Gryzlov as interior minister and Mikhail Fradkov as head of the tax police) are political appointments. In other words, none of these three represent any interest groups, but are loyal tools of the president. Further, Ivanov and Gryzlov have no association with Boris Yeltsin's regime. All are outsiders to the organizations they are to run. This means they are not constrained by corporate rules and alliances and may be capable of bringing change to these notoriously corrupted institutions.¹⁰⁰

98. *The Moscow Times*, April 3, 2001.

99. *The Moscow Times*, March 29, 2001.

100. *The Moscow Times*, April 3, 2001.

Sergey Ivanov has not been linked to any groups among the Russian military and thus is perceived as capable of enforcing those reforms. According to Duma member General Alexander Piskunov, "The appointment of Sergey Ivanov, who knows well the problems of international security and the military reform, is a possibility to make a big step forward," because he has no obligations to the military-industrial complex nor to the agencies that are involved in the arms trade."¹⁰¹ In other words, he may be capable of fighting the corporatism of the military institutions that until now had been largely responsible for obstructing successive attempts at military reforms since 1991.

But in his first statement as the Defense Minister Ivanov denied that he would take any rushed steps and announced that, "National security is not a sphere where a revolution is permissible."¹⁰² It should be an evolutionary process, he said, and it is hard to say how many years it would take. The reform was not an end in itself, nor was it the only method of cutting costs.¹⁰³ He thinks one of his main objectives is "giving the army a modern structure, which is able to react fittingly to the real threats that Russia sees before itself today." He also said he wanted to end conscription, but said it would take time. "We have ignored a little bit the general armed forces, the infantry," he added. He cited Chechnya, where the army has been beaten once and is currently trying again to stamp out separatist rebels, as an example of the decline of Russia's conventional forces. "For this we need a mobile force, militarily capable, armed well and armed in a modern way, including space means, which also need to be given a boost," he said.¹⁰⁴ According to Ivanov, "The Russian army must become more professional, mobile and efficient."

"The idea of streamlining the military organization of the state is based above all on the evaluation of threats to national security, a strict account of the economic possibilities of the state, the analysis of tasks set to the power ministries and departments, the search of pos-

101. *Izvestiya*, March 30, 2001.

102. *Krasnaya Zvezda*, March 30, 2001.

103. <http://strana.ru/state/defense/2001/03/29/985871800.html>

104. Reuters, March 31, 2001.

sibilities for their comprehensive fulfillment, and the creation of integrated or joint systems of logistic, technical, personnel and other kinds of supplies. This attitude incorporates a considerable reserve of saving material and financial resources, liquidating duplicating elements, and on this basis reducing the strength of the power component of the military organization of the country,"¹⁰⁵ said Ivanov in November 2000.

According to Ivanov, "the reduction in the strength of the armed forces, other troops and military formations and agencies is only one of the elements of the structural and functional reform of all component parts of the military organization."¹⁰⁶ Putin has more than once warned against a mechanical approach to the reduction of the strength of the armed forces, other troops, military formations and agencies.

Among the more acute problems that have piled up for years, Ivanov named the dearth of funds allocated for rearmament. The lion's share of large enough expenditures that the state allocates to the Armed Forces is used for their upkeep—money allowances and social payments, he noted.¹⁰⁷

The new Deputy Defense Minister, Lyubov Kudelina, went on record as saying that the new leadership planned to implement a financial reform in the army in two stages, in 2002 and 2003. Commenting on plans to increase servicemen's pay, she said so far there was an intention to raise basic pay somewhat, which at present was half that of civil servants. The Security Council was going to consider this problem along with the military housing problem. Solution of these problems and the pace of the reform in general would depend "on the amount of funds earmarked in the process of budget-making," she stressed.¹⁰⁸

105. *Nezavisimaya Gazeta*, November 29, 2000.

106. *Nezavisimaya Gazeta*, November 29, 2000.

107. <http://strana.ru/state/defense/2001/03/29/985876677.html>

108. <http://strana.ru/state/defense/2001/03/31/986030836.html>

For his own part, Ivanov said that he would focus on development of the Military Space Force, which branched out of the Strategic Rocket Forces earlier this year. The Military Space Force is supposed to provide reliable satellite communications on a tactical level, which the army badly lacked during the war in Chechnya.

The new system for command and control provides for a clear-cut delineation of functions between the Defense Ministry and the General Staff. "An entirely new system of command and control is being set up in Russia's armed forces," according to General Igor Puzanov, who was appointed the State Secretary and Deputy Defense Minister. But according to informed military sources, the new system is designed to "ensure the ability of an armed forces with modern structure, now in the process of formation, to give an adequate response to real threats to the country's security."

As plans stand now, the Defense Ministry will be responsible for dealing with problems of a military and political nature, further army reform, finances, technology, and military-technical cooperation with foreign countries. The General Staff will be responsible for the tactical and strategic management of the armed forces, combat planning, military and mobilization readiness and the combat training of troops and staffs. Although the General Staff will have the status of a working group under the Supreme Commander, it will remain directly accountable to the Defense Minister.¹⁰⁹

Ivanov has made it clear that the Chief of the General Staff will remain subordinate to the Defense Minister. Ivanov indicated he would be the decision maker in the relationship with the General Staff: "I am sure and I hope we can work out a formula in which I will continuously feel the generating role of the General Staff as a generator of ideas."¹¹⁰ So there will be no complete division of power between the General Staff and Defense Ministry.

Some analysts in Russia assert that, with Ivanov running the Defense Ministry, there won't be any more conflicts. No general, not even

109. <http://strana.ru/state/defense/2001/03/29/985870623.html>

110. Reuters, March 31, 2001.

Kvashnin, would risk disobeying a man who is widely seen as Putin's alter ego. Ivanov has already demonstrated what his closeness to Putin can do: Under his direction, the previously unimportant Security Council became an influential decision-making body. Ivanov is the ideal person for pushing through serious change.¹¹¹

Another factor that explains Ivanov's appointment is the necessity of strengthening the presidential role in military-technical cooperation (MTC) matters. After the creation of a single state intermediary in the MTC sphere, Rosoboroneksport, and a Committee on MTC within the Defense Ministry, both of which are directly subordinated to the President, Putin needs a reliable man whose opinion he might trust unreservedly in the process of decision-making on MTC.

The more so that the soon-to-be-approved Program of Development of the Military-Industrial Complex of Russia, which has been drawn up with Sergey Ivanov's participation, implies an active Defense Ministry involvement in managing that complex. At any rate, it is the Defense Ministry's Committee on MTC that has been given the right to issue licenses for foreign economic operations. In an indirect manner, this fact points to a possibility of a number of new appointments to the Ministry.

It is reported that the President is going to endorse quite soon the Concept of State Policy of the Russian Federation on Military Organizational Development for the period till 2010. It will underlie new guidelines to be handed down to the power ministries and agencies.¹¹² According to some interpretations, the appointment of Ivanov, one of Putin's closest advisors, will tighten the president's control over the military and force the generals to accept reform. For the first time, Russia's fractious generals will be subordinated to an outsider—and will answer to a woman for their spending.¹¹³

111. *Russia Journal*, March 31-April 6, 2001.

112. <http://strana.ru/state/defense/2001/03/29/985876677.html>

113. *The Los Angeles Times*, March 29, 2001.

Now, with civilians assuming more of a presence in the Defense Ministry and elsewhere, it may be possible to implement changes that were impossible in the past.

Analysts say that while these moves indicated Putin was strengthening his hand, the reshuffling of a few key cabinet members may not in itself guarantee meaningful reforms. Divisive factions that existed in the upper echelons of the Russian government and the military before Putin came to power still exist. The Defense Ministry is still a military rather than a political institution. Russia does not yet have the hundreds of civilian officials with solid military knowledge that it will need.

Today, while there is finally a blueprint for military reform, there is still no coherent and integrated government military reform strategy in sight, no balancing of stated commitments and available resources. Stephan De Spiegeleire, a senior policy analyst at the RAND Europe policy think-tank, is more pessimistic. He says the equation is very simple: Until the war in Chechnya is ended, no significant reforms can be expected, no matter what appointments Putin makes from his inner circle. "Let's face it: the fundamentals around this are that, economically, Russia is in no position to make any kind of a change—whether it's inspired by the KGB or anything else—with a military budget of \$8 billion that continues to be cannibalized by this war [in Chechnya]. There isn't really very much room for anybody to start behaving in a radically different way."¹¹⁴ By contrast, the United States' annual military budget is close to \$300 billion.

De Spiegeleire argues that Putin may have a harder time imposing his authority on the machinery of government than his predecessors, as he still lacks their political power base. "The infighting that's going on—that has been going on for a very long time—hasn't stopped just because Putin came in. There may be some different interest groups that are involved right now but the main fact that—also within the military—there are some clans that keep fighting is not going to change by the mere appointment of Ivanov. Unlike previous leaders of Russia, or the Soviet Union, who grew up as first [communist party]

114. RFE/RL, March 29, 2001.

secretaries and had a huge cadre of people around them, Putin doesn't have it."¹¹⁵

It will take at least 10 years to reform Russia's military organization, Ivanov believes.¹¹⁶ In December 2000, he said that "over the next decade we have to transform the state's military organization into a compact, mobile and technically well-equipped structure which is well-trained and capable of effectively defending the country and ensuring the security of the state." He continued that, "We must provide adequate social support for servicemen and civilian staff, but the upkeep of the military must be affordable for the country's economy."¹¹⁷

In a commentary published, for example, by the Russian daily *Izvestia* it was suggested that the military reform plan appears to have been shaped more by the political ambitions of some military commanders than by the country's defense requirements.¹¹⁸ But some military experts similarly argued that there is as yet no reason to believe that Putin's current reorganization of the armed forces will prove any more effective or meaningful than the failed defense restructurings launched by his predecessor, Boris Yeltsin.¹¹⁹

115. RFE/RL, March 29, 2001.

116. Itar-TASS, December 7, 2000.

117. Itar-TASS, December 7, 2000.

118. *Izvestiya*, January 23, 2001.

119. *Moskovskiye Novosti*, January 21, 2001.

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Afterword

An analysis of the international situation and economic potentialities of the Russian Federation prompts a conclusion that the military power of this country can only grow in a staged manner. It is necessary to continue military reform in order to bring the armed forces into compliance with the national interests and economic possibilities of Russia. A real increase of expenses for army modernization will become possible only when there appear requisite budget resources as a result of the stable economic growth of the country's gross domestic product. Today, however, Russia needs to concentrate its efforts on the creation of relatively small groupings of forces to be in a state of permanent combat readiness rather than to disperse resources widely in order to preserve the excessive number of understaffed units and formations, arms depots, and mobilization resources of industry for the production of military hardware that has long since become obsolete.¹²⁰

Fundamental military reform in Russia will for some time likely remain hostage to a growing pyramid of foreign and domestic debt and a strained internal situation. The Russian state is hampered by poor tax collection; high turnover of prime ministers, cabinet members, and presidential advisors; and continuing competition between the military and non-MOD security forces for scarce resources and power.

It is hardly possible for the financing, armament and combat training of the armed forces to radically improve in a short term.

In the longer term, Russia can preserve the status of a great military power only by raising its level of defense expenditures to that of such states as China, Japan, Germany, France or Britain (whose defense budgets are each still only 15-20 percent of the US defense budget).

120. *Vremya*, July 18, 2000.

If this level were to be around 50 billion dollars, Russia would be able to spend that much only if the federal budget were to grow to at least 200-250 billion dollars. That in turn would necessitate a growth of Russia's GDP to a trillion dollars and of the federal government's revenues to 20-25 percent of the GDP.

The scenario of a "besieged camp" is incompatible with the continuation of the democratic political process in the country. Even with the most authoritarian methods of mobilizing the economy, Russia will be unable to allocate for defense purposes more resources than the 10 percent that the Western community, headed by the United States does. A new arms race is incompatible with Russia's desire to reschedule its foreign debt and would automatically entail default and economic siege.

The current situation calls for the continuation, rather than suspension, of military reform. With the current objective limitations, the task of enhancing the armed forces' combat readiness necessitates an effort to optimize their structure and reduce their numerical strength by 15-20 percent, something that would allow Russia to increase by as much its expenditures for R&D and arms procurement.

Making the military-industrial complex a "ghetto" of sorts is pernicious. A diversified civilian production alone will be able to equip the armed forces with the latest technologies. But in the short term, modernizing the armaments that Russia has, rather than massive rearmament, will be a priority. It is especially important to rectify its lag in the means of reconnaissance and communication. The procurement of a new generation of weapons is only possible in the latter half of the current decade.

In these conditions it is first of all the special responsibility of Russia's diplomacy to ensure beneficial external conditions for Russia's economic recovery. Preservation and adaptation of the existing arms control regime to preclude growth of military threat is as topical as ever. Lastly, Russia should actively work to build a new system of international security on global and regional levels while adhering to the principle of "equal proximity" to the main power centers in the international arena.

Annex A

The Role of the Russian Security Council

The center for activities on military reform has shifted to the Security Council. In accordance with Presidential Decree No. 547 of June 3, 1992, the Security Council was created to ensure the implementation of the President's functions of guiding the state; formulating domestic, foreign and military policy in the sphere of security; protecting the state sovereignty of Russia; maintaining socio-political stability; and protecting civil rights and freedoms. But under Putin the Security Council, headed by his close collaborator Sergey Ivanov, who is now Minister of Defense, acquired overlapping functions with the Ministries of Foreign Affairs, Interior, and Defense, as well as the FSB and many other ministries and departments.

Ivanov gave the following explanations of the role of the council.

The Security Council of the Russian Federation, as a constitutional body designed to prepare the decisions of the president on questions of ensuring the protection of vital interests of the individual, society and the state from internal and external threats and pursuing an integrated state policy in the sphere of security, is tackling unique tasks. They include the elaboration of the basic elements of the strategy of ensuring the security of the Russian Federation and of corresponding conceptual documents, as well as of proposals on coordinating the operation of federal bodies of executive authority, the bodies of executive authority of constituent members of the federation and plenipotentiary envoys of the Russian president in federal districts on questions in the competence of the Security Council.¹²¹

121. *Nezavisimaya Gazeta*, November 29, 2000.

Putin has increasingly relied on the Security Council as his most influential group of advisers and decision-makers. He has expanded its membership to include all of Russia's most powerful regional and national officials. He personally convenes the council's monthly meetings. Among its 24 members are the Defense Minister, the Interior Minister, the Chief of the General Staff, the head of the secret police and the seven "super governors" who supervise the Russian regions. The council employs a staff of 176 officials to draft policies in a wide range of areas.

The rise of the Security Council has transformed Russia's political hierarchy. With parliament increasingly meek and the federal cabinet filled with technocrats who focus on economics, Putin has groomed the Security Council to include his most powerful advisers. Under his rule, a growing number of important decisions on everything from environmental issues to media policies are shaped by a group of army generals and former KGB officers.

According to a new law proposed by Putin's Kremlin allies, the council would take control of Russia if a state of emergency were declared. The legislation, passed by the Duma, gave the President broad powers to declare a state of emergency to deal with "political, criminal or environmental" crises anywhere in the country. The Kremlin would have the right to close down political parties and muzzle the media. Under the legislation, Russia's parliament must adopt a state of emergency within 72 hours of it being declared by the president.¹²²

Some analysts claim that the council is already running the country. They compare it to the elite Politburo that decided most matters in the Soviet Union. "The Security Council actually acts like the Politburo of Soviet times," Yevgeny Volk, the Moscow representative of the Heritage Foundation, said. "It deals with everything. It elaborates guidelines and policies. According to the Russian constitution, it is supposed to be a consultative body, but in fact it has enormous powers. It has become a decision-making body." As a career KGB officer, Mr. Volk said, Putin prefers to rely on disciplined agencies with a strict chain of command. "He likes people who execute duties according to

122. *The Sunday Telegraph*, July 2, 2000.

orders from above. This is natural for him. The Security Council is becoming an alternative to parliament, and it could become a temporary body to run the country.”¹²³

The mechanism of decision-making includes the President, as the chairman of the Security Council, and members of the Security Council, on which sit the premier, the heads of the two houses of the Federal Assembly, and the heads of the key ministries and departments. The Security Council tackles questions of national security as a package, on the basis of analysis of information provided by all elements of the system of ensuring security, with the subsequent elaboration of decisions and recommendations on the neutralization of rising threats.

The Security Council is a constitutional body that drafts the decisions of the president in the sphere of security. These presidential decisions are to be formalized in decrees or instructions. However, under Putin the decisions of the Security Council (even without decrees and instructions of the government) have become binding for their fulfillment by all federal bodies of authority. In accordance with the Regulations on the Security Council, approved by Presidential Decree No. 949 of August 2, 1999, the decisions of the Security Council come into force after their approval by the chairman of the Security Council, meaning the president of Russia.¹²⁴ Presidential decrees formalize only the decisions of the Security Council on key questions, while other decisions are formalized by protocols. Instructions to departments included in such protocols are to be regarded as the instructions of the president and are to be fulfilled unconditionally. Any decision of the Security Council that concerns the competence of the federal bodies of executive authority is subsequently formalized in the form of instructions, orders and resolutions of the government.

The Security Council and its staff have started to act as arbiters in disputes between the top officials of the Defense Ministry. In the spring

123. *The Globe and Mail*, October 5, 2000.

124. *Ibid.*

of 2000, the staff of the Security Council started preparing materials for a regular session of the Council on questions pertaining to the situation in the armed forces and the guidelines for their development until the year 2010. All concerned federal bodies of state authority, including the Defense Ministry, were involved in these preparations.

The President issued instructions to form an expert commission, led by Vice-Premier Ilya Klebanov, for preparations for that session. The commission discussed five possible variants of further reforms of the armed forces. Using the standard integrated “effectiveness–cost–feasibility” criterion, it chose the best variant, which was subsequently moved for the consideration of the Security Council. Changes in the structure, composition and strength of the armed forces discussed by the commission were coordinated with all Security Council members without exception, including the military officials.¹²⁵

The Security Council and its staff drafted the decisions by summing up the proposals of all concerned federal bodies of state authority, including the State Duma and the Federation Council. The most important questions were discussed in corresponding inter-departmental commissions operating under the Security Council on a permanent basis. Ad hoc inter-departmental comprehensive working commissions were created by decision of the president for tackling the fundamental, the most complicated, and the most important questions of military development.

125. *Nezavisimaya Gazeta*, November 29, 2000.

Annex B

Sergey Ivanov

Sergey Ivanov, who worked in KGB posts in Britain, Kenya and Scandinavia, befriended Putin during their years together in the KGB. When Mr. Putin rose to become Russia's prime minister last year, he made sure that Ivanov was named Secretary of the Security Council. He has described Ivanov as his most trusted adviser, one of the few with whom he feels a sense of "comradeship."

Their backgrounds are eerily similar. They are the same age. Both are from Leningrad, now St. Petersburg. Both demonstrated a talent for operating quietly in the shadows during their time in the KGB. In 1983, Ivanov was expelled from Britain for espionage. He was working undercover as a senior diplomat in the Soviet embassy in London when he was sent home.

Ivanov has assumed a crucial role in Russian security and military issues. He has negotiated with U.S. officials on their controversial plan for a missile defense system. He met with U.S. national security adviser Sandy Berger to exchange data on the *Kursk* disaster and to discuss issues such as terrorism and arms control.

In February 2001, Ivanov surprised an international security conference in Munich, Germany, with an uncompromising speech denouncing Western plans to further expand NATO, as well as the American intention to deploy a national missile defense.¹²⁶ Ivanov then outraged U.S. officials when he accused NATO of inflicting on Europe "an ecological disaster comparable to Chernobyl" in its use of depleted uranium bullets during the air war in Kosovo. He also warned the West not to push Russia too hard over its debts.¹²⁷

126. *The Moscow Times*, February 8, 2001.

Many in the West believe that the present Kremlin positions on NATO expansion and NMD are just public poses for domestic consumption to keep anti-Western forces happy while the new “pro-liberal” President Putin implements much-needed military reforms.¹²⁸ But further NATO expansion is virtually inevitable and the United States will almost certainly proceed with NMD no matter what Moscow says.

On NMD, Ivanov said, “We oppose it because it undermines the basis of global strategic stability. Deployment of NMD by definition would make the Anti-Ballistic Missile Treaty useless. And the destruction of this treaty—we are quite positive about this—will result in the annihilation of the whole structure of strategic stability and create prerequisites for a new arms race, including in outer space.” He also denounced the NATO operations in Kosovo, saying “NATO actions caused systematic growth in violence and a political impasse, threatening European and global security.”

But after Ivanov returned from a visit to the United States in March 2001, he gave an interview to *Komsomolskaya Pravda*, in which he said: “The United States is not an enemy. And, as I understood from the latest statements of the American president, they too do not consider Russia to be an enemy.”¹²⁹ He explained that it was a familiarization visit for him. Its purpose was to hear each other's positions, including personal positions, on a number of aspects of international security. He also wanted to try to preserve with the Republicans the positive things that had been achieved with the Democrats. He noted that the formation of the new administration had not yet been completed and “therefore, we will wait and as soon as this process is completed we are prepared to start negotiations.”¹³⁰

Ivanov was introduced at the Munich conference as “the number two man in the Kremlin, the man who drafts the policy and implements

127. UPI, February 4, 2001.

128. *The Moscow Times*, February 8, 2001.

129. *Komsomolskaya Pravda*, March 17, 2001.

130. Ibid.

it.”¹³¹ His combative performance changed the thrust of the conference. “Russia, a front-line warrior fighting international terrorism in Chechnya and Central Asia, is saving the civilized world from the terrorist plague, in the same way that it saved Europe from the Tartar-Mongol invasions in the 13th century,” Ivanov insisted. “And we pay for it, in suffering and privation.”¹³²

131. UPI, February 4, 2001.

132. Ibid.